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The Department of State refers to diplomatic note No. 8/801/110 from the Ministry of Foreign Affairs of the Government of Jamaica dated January 17, 2000, regarding tax exemption for real property owned by foreign governments and used to house members of the diplomatic mission.

As the United States Department of State announced in its note number 86-228, dated August 13, 1986, sent to all diplomatic missions in Washington, D.C., the United States Government takes the position that customary international law obligates the receiving state to exempt from real property taxes real property owned by a foreign government and used to house members of the diplomatic mission, on the basis of reciprocity. Tax exemption would apply to annually recurring real property taxes or rates as well as one-time taxes associated with the purchase or sale of real property such as transfer or recordation or stamp taxes. Consistent with Article 23 of the Vienna Convention on Diplomatic Relations and customary international law, tax exemption is limited to real property taxes which are the legal responsibility of the foreign government and which are not fees for specific services rendered.

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The vast majority of states recognize this international law obligation to provide tax exemption to government-owned Embassy residences.

When the United States Government published its 1986 circular diplomatic note on Embassy residential real property tax exemption, the Government of Jamaica responded with a diplomatic note from its Embassy in Washington, dated June 24, 1987. It stated that (quote) the ambassador also takes this opportunity to state that the residences and chancery situated in Jamaica that are the property of the U.S. Government are exempt from taxes by the Government of Jamaica. (Unquote) On the basis of this representation, and in accordance with the principle of reciprocity, tax exemption for real property owned by the Government of Jamaica and used to house members of the Embassy has been available to the Government of Jamaica since January 1, 1987.

The Government of Jamaica further recognized this international law principle of exemption when it granted full tax relief on the 1997 sale of the property owned by the United States Government and used to house the Deputy Chief of Mission.

The Department brings to the attention of the Embassy, and requests that the Embassy and Foreign Ministry of the

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Government of Jamaica bring to the attention of appropriate Jamaican revenue authorities, the denial of tax exemption for sale of the property owned by the United States Government and used to house the director of the United States AID Mission in Jamaica. This property, located at 2 Edgecombe Avenue, Kingston, was the government-owned residence of a member of the Embassy and squarely falls within the customary international law tax exemption. Further, Article III of the Economic, Technical and Related Assistance Agreement between the United States of America and Jamaica, signed at Kingston on October 24, 1963, provides an additional basis for tax exemption for the property.

One-time taxes associated with the purchase or sale of the property, such as recordation and transfer taxes and stamp tax duties, are included within the international law exemption.

Thus, recordation taxes recently assessed on the sale by the United States Government should be exempted in full.

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The Department requests immediate exemption for the United States Government from the full recordation taxes and full stamp duty associated with the sale of Embassy housing at 2 Edgecombe Avenue.

Department of State,

Washington, JAN 12 2001

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